

KING SABATA DALINDYEBO LOCAL MUNICIPALITY

BUDGET AND TREASURY DIRECTORATE



FLEET MANAGEMENT POLICY

2016/17

Table of Contents

1.	Objectives	3
2.	Background.....	3
3.	Definitions	4-5
4.	Responsibilities & Accountables.....	6
	4.1. Drivers.....	6
	4.2. The Chief Financial Officer	6-7
	4.3. Monitoring & Fuel usage of Mayor's Support Vehicle	8
	4.4. Plant & Fleet Control Officer	8
5.	Driver work history	8
6.	Driver performance history	8-9
7.	Pool Vehicles	9
	7.1. Identification.....	9
	7.2. Control & Usage	9-10
8.	Professional driving permits	10
9.	Vehicles, Plant & Equipment Driver Register	10
10.	Proper usage of Municipal Vehicles	10-11
11.	Establishment & Management of Vehicle Register	11
12.	Internal control over Fleet Management Register	11
13.	Physical Receipting & Management.....	12
	14.1. Responsibilities of Plant & Fleet Control Officer	12
	14.2. Receipt of Vehicle, Plant & Equipment	12
	14.3. The date of acquisition	12
14.	Procedure of repairing of fleet	13
15.	Procedure of issuance of fuel & oil	13-14
16.	Control measure: Municipal Fuel Bowser.....	14
17.	Filling of Municipal Vehicles with fuel	14
18.	Authorized signature for issue of fuel	14
19.	Misuse of Official Vehicle	15
20.	Permission to take an official vehicle home	15-16
21.	General	16
22.	Accidents	16
23.	Accounting for Fleet.....	17
	23.1.Recognition of Fleet	17
	23.2 Recognition threshold	17
	23.3 Carrying amount on Fleet.....	17
	23.4. Initial determination of useful life.....	17-18

23.5. Review of useful life	18
23.6. Review of depreciation method.....	18
23.7. Subsequent expenditure on Fleet	18
24. Hired Vehicles.....	19
25. Violation & enforcement of Fleet Management Policy.....	19
<i>Annexure 1</i>	20
<i>Annexure 2</i>	21
<i>Annexure 3</i>	22
<i>Annexure 4</i>	23
<i>Annexure 5</i>	24
<i>Annexure 6</i>	25
<i>Annexure 7</i>	26
<i>Annexure 8</i>	27
<i>Annexure 9</i>	28
<i>Annexure 10</i>	29

1. OBJECTIVES

- a) To ensure the effective and efficient control, utilization, safeguarding and management of Municipality's vehicles plant and equipment.
- b) To ensure that vehicle drivers and fleet management managers are aware of their responsibilities with regard to vehicles.
- c) To set out the standards of physical management, recording and internal controls to ensure that vehicles are safeguarded against inappropriate loss or utilisation.
- d) To specify the process required before expenditure on vehicles is incurred.
- e) To prescribe the accounting treatment for expenditure incurred on the use of vehicles, plant and equipment of the Municipality including:
 - i. The criteria to be met before expenditure can be accounted for on vehicles, plant and equipment
 - ii. The criteria for determining the initial cost of the different vehicles, plant and equipment.
 - iii. The method of calculating depreciation for different vehicles, plant and equipment
 - iv. The method for scrapping and disposal of vehicles, plant and equipment.
 - v. The classification of vehicles, plant and equipment.

2. BACKGROUND

- a) The utilization and management of vehicles, plant and equipment is the prime mechanism by which a municipality can fulfil its constitutional mandates for:
 - i. Delivery of sustained services,
 - ii. Social and economic development,
 - iii. Promoting safe and healthy environments and,
 - iv. Providing the basic needs to the community
- b) As trustees on behalf of the local community, the municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future services provision invested on vehicles.
- c) The fleet management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of vehicles.

3. DEFINITIONS

a) "Vehicles, Plant and Equipment"

Are resources controlled by an entity as the result of past events and from which future economic benefits or future service potential are expected to flow to the entity.

b) "Fleet Managing Manager"/ Fleet Controller

Is the senior official who has the functional accountability for and control of the physical management of particular vehicles in order to achieve the municipality's strategic objectives relevant to their department. The execution of this responsibility will require the fleet controller to control the acquisition, utilisation, management and disposal of this set of vehicles to optimise the achievement of these objectives.

c) "Capitalisation"

- i. Is the recognition of expenditure as an asset in the Financial Asset Register "Carrying amount"
- ii. Is the amount at which vehicles are included in the balance sheet after deducting any accumulated depreciation thereon.

d) "Cost of acquisition"

Are all the costs incurred in bringing an item or vehicle to the required condition and location for its intended use.

e) "Depreciable amount"

Is the cost of a vehicle, or other amount of a vehicle, or other amount substituted for cost in the financial statements less its residual value?

f) "Fair value"

Is the amount for which a vehicle could be exchanged between knowledgeable willing parties in an arm's length transaction?

g) "Financial vehicle register"

Is the controlled register recording the financial and other key details for all municipal vehicles recognized in accordance with this policy?

h) "GRAP"

Stands for "generally recognized accounting practice"

GRAP 17 – PPE

GRAP 13 – Leases

i) "Recoverable amount"

Is the amount that the municipality expects to recover from the future use of a vehicle, including its residual value on disposal.

j) "Recognition"

Is the net amount that the municipality expects to obtain for a vehicle at the end of its useful life after deducting the expected costs of disposal.

k) "Senior Management"

Are the incumbents who are head of the departments in each directorate being the "senior manager"

l) "Stewardship"

Is the act of taking care and managing vehicle on behalf of another.

m) "Useful life" is either

[a] The estimated period of time over which the future economic benefits or future service potential embodied in an asset are expected to be consumed by the municipality

[b] The estimated total services potential expressed in term of production or similar unite that is expected to be obtained from the asset by the municipality.

n) "AARTO"

Administrative Adjudication of Road Traffic Offences.

o) DRIVER

All persons engaged in the operation of vehicles and plant, as follows:

(a) OCCASIONAL DRIVER: is not a permanent driver, but is required to use a municipal vehicle on an ad hoc basis to perform his/her/her duties.

(b) PROFESSIONAL DRIVER: employed specifically to drive municipal vehicles for general transport purposes.

(c) OPERATOR: employed specifically to operate municipal plant.

4. RESPONSIBILITIES AND ACCOUNTABILITIES

4.1. Who can use a municipal vehicle?

- a) By any official with authorized trip authority involved in an activity in line with the objectives of the responsible department within the KSD local municipality.
- b) Vehicles must under no circumstances be utilized for none work related activities, not limited to but including party political and industrial union activities.

4.2. Drivers

- a) The drivers of the Municipalities' vehicles, plant and equipment must be personally liable for the moving violation of vehicles such as:
 - i. Speeding
 - ii. Reckless driving
 - iii. Safety belt
 - iv. Overloading
 - v. Parking offences
 - vi. Camera offences etc. committed with a Municipal vehicle
- b) A basic inspection must be carried out by the driver of the vehicle, plant or equipment and regularly by the plant and fleet section before leaving the premises of the Municipality.
- c) Before proceeding on any journey, drivers are required to ensure that the vehicles conforms to the requirements of the Road Traffic Act in respect of brakes, lights, rear view mirror, condition of tyres, etc.
- d) If the vehicle does not conform to any of these requirements, the driver should report defects to the supervisor who in turn will get the vehicle repaired. In the event of any defect the vehicle must not be used until repaired
- e) Each and every vehicle must have a logbook, whereby all trips undertaken will be recorded and fuel consumption will be calculated against the distance travelled on a daily basis.
- f) A "nil" return must also be submitted, giving the reasons for the non-use e.g. in garage for repairs or servicing.
- g) It is essential that vehicles be refuelled at the end of full tank so that it is possible to accurately calculate monthly consumption figures.
- h) Under no circumstances must faulty vehicles be used.
- i) Council shall not be held responsible for any cost related to the obtainment of the PrDP.
- j) The onus is on the holder of the of the driver's licence to ensure that the Plant & Fleet Control Officer is informed of all endorsements, outstanding disciplinary action, lapsed PrDP or any other matter that might influence the allocation of the vehicle.
- k) Failure to do so shall result in the cancellation of all driving privileges which must be in addition to any sanction that a disciplinary hearing must decide upon.
- l) Council Fleet must only be refuelled at fuelling station identified to refuel KSDLM vehicles. The Plant & Fleet division shall not assist a driver or operator left stranded due to insufficient fuel.

- m) Staff members and municipal drivers must report misuse of vehicles by other municipal drivers.

4.2 The Chief Financial Officer

- a) Is responsible for the management of the vehicles of the municipality, including the safeguarding and the maintenance of vehicles.
- b) The CFO must ensure that:
 - i. The municipality has and maintains a management, accounting and information system that accounts for the vehicles of the municipality;
 - ii. The municipality's vehicles are valued in accordance with standards of generally recognized accounting practice;
 - iii. That the municipality has and maintains a system of internal control of vehicles, including a vehicle register;
- c) The Chief Financial Officer is responsible to ensure that the financial investment in the municipality's vehicles is safeguarded and maintained.
- d) The Chief Financial Officer must ensure that:
 - i. Appropriate systems of financial management and internal control are established and carried out diligently;
 - ii. Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct are prevented and/or recovered.
 - iii. The systems processes and registers required to substantiate the financial value of the municipalities' assets are maintained to standards sufficient to satisfy the requirements of the legislation;
 - iv. Financial processes are established and maintained to ensure the municipalities' financial resources are optimally utilized through appropriate vehicle planning, budgeting, purchasing, maintenance and disposal decisions;
 - v. The senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of vehicles.
 - vi. This policy and any supporting procedures or guidelines are established, maintained and effectively communicated.
 - vii. The financial officer must delegate or otherwise assign responsibility for performing these functions but they shall remain accountable for ensuring that these activities are performed.
- e) That all municipal employees comply with this policy.

4.3. Monitoring and fuel usage of the Mayor's Support vehicles

- a) Fuel reconciliation must be done by the plant and fleet section.
- b) The driver of the vehicle should receive approval from the municipal manager prior using municipal vehicle.

4.4. A Plant & Fleet Control Officer must ensure that:

- a) Appropriate systems of physical management and control are established and carried out for vehicles in their area of responsibility;
- b) The municipal resources assigned to the section are utilized effectively, efficiently, economically and transparently;
- c) Any unauthorized, irregular or fruitless or wasteful utilization, and losses resulting from criminal or negligent conduct, are prevented and/or reported.
- d) Asset management systems and controls must provide an accurate, reliable and up to date account of assets under his/her control.
- e) He/she must be able to justify that the vehicle plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives.

5. DRIVER WORK HISTORY

1. It is important to know the work history of all drivers as it may give an indication of his/her commitment as a custodian of the municipal assets entrusted to him/her. It is therefore important that a driver's history data base be developed to enable management to track his/her performance when using municipal vehicles.

Furthermore:

- a) A driver must have a valid driver's license and be a municipal employee.
- b) Drivers must at all times have their driver's and operator's license in their possession when driving the municipal vehicles.
- c) Drivers must consent to having their driving records checked with motor vehicle registry records.
- d) The fleet controller may reserve the right to refuse the driving privileges based on the driver's history and that must be communicated with the relevant director, fleet controller's manager and CFO.
- e) At the discretion of the Fleet Controller, an employee must be required to pass a practical driving exam (i.e. Cones, reversing etc.), before being allowed to operate a vehicle from the pool.
- f) All drivers have to give the fleet controller written consent to investigate and/or request the proper authorities as to the driver's current status with regards to the demerit points and possible temporary cancellation of driving licenses.
- g) All drivers must undergo vetting.
- h) All drivers must read and adhere to the Municipality's Plant and Fleet Policy.

6. DRIVER PERFORMANCE HISTORY

1. Monitoring the driver's performance history is a pre-emptive action where the municipality can pro-actively identify driver style deficiencies which, with the

necessary motivation like training etc. may lead to better driving performance and improve vehicle cost data.

- a) A trend of vehicle operating cost higher than those for other drivers in similar vehicles, especially if this occurs with various vehicles in the staff member's tenure with the municipality would seem to indicate that it might be necessary to test his/her driving skills and improve it through some sort of driver training.
- b) The new demerit point scoring system which has been introduced by AARTO, necessitates that a database on each driver's performance be set up so that the necessary steps such as providing for temporary drivers etc. can be taken. Drivers who consistently default will be identified and if necessary retrained or ultimately be transferred to a position where it will not be necessary for him/her to drive a vehicle.
- c) Similarly the drivers with a bad accident record (number of accidents, incidents and costs involved) could be sent on a refresher or advanced driver's courses. If the trend of causing accidents increases it might become necessary to deny the employee the right to drive any vehicle.
- d) The demerit system further provides for the identification of drivers who consistently default and on various occasions have his/her driver's license temporarily revoked. This could lead to disciplinary action and even the transferring of the employee to an alternative position or even dismissal.

7. POOL VEHICLES

7.1. Identification

- a) Departments that use pool vehicles shall identify the driver, the vehicle intended destination and the purpose of the trip. It is the Fleet Controller's duty to ensure that the expected driver of the pool possesses a valid driver's license and that he/she is not currently under restraint due to exceeding the maximum demerit points due to traffic violations.

7.2. Control and usage

- a) All vehicles in the pool shall be considered as the property of KSD Municipality regardless of the source (department which bought) of the vehicle.
- b) Surplus or underutilized vehicles need to be relocated or re-allocated to where they will be of more productive use.
- c) The driver of the vehicle must collect the key of the vehicle from the Fleet Controller.
- d) The driver must complete the trip authority and log book by filling in his/her name, vehicle numbers, time out and signature. Also the driver must conduct preventative maintenance and safety check of the vehicle prior departure. Preventative Maintenance forms shall be kept in the vehicle.
- e) After use, the driver must refuel the vehicle and record the number of litres on the preventative maintenance and safety sheet and return it to the Fleet Controller in a clean condition.
- f) Pool vehicles must not be used for personal business or pleasure.
- g) If used on an overnight basis, the driver must ensure that the pool vehicle is safely locked away.
- h) Malfunction of a pool vehicle is to be reported to the Fleet Controller.

- i) In the event of an accident, it is the driver's responsibility to inform the police and then the Fleet Controller who must, with the driver's assistance fill in the necessary insurance claim forms.
- j) In the event where a person loses the motor vehicles keys, then he/she must be liable for the cost of replacement of the keys.
- k) Applications for provision of transport for the trips beyond the KSD borders shall be made by the employee on the prescribed form and such application shall be dealt with by the municipal Plant & Fleet Control Officer.
- l) Plant and Fleet Control Officer has the ultimate decision-making authority over the allocation of the municipal vehicles.

8. PROFESSIONAL DRIVING PERMITS

a) Professional Drivers required to drive the following vehicle categories are required to have Professional Driving Permits (PrDP's):

- i. Heavy goods > 3,5t GVM
- ii. Articulated > 3,5t GVM
- iii. Breakdown vehicle
- iv. Bus seating more than 16
- v. Bus seating more than 12
- vi. Refuse compactor
- vii. Water tanker
- viii. Vacuum tanker
- ix. Truck Tractor > 3,5t GVM

9. VEHICLE, PLANT AND EQUIPMENT DRIVERS REGISTER

- a) The fleet clerk must maintain the register and remind the drivers upon the expiry of their licenses and those that have Professional Drivers must ensure that their licenses and PrDP's are current at all times and are renewed prior to the expiry date.

10. PROPER USAGE OF MUNICIPAL VEHICLES

- a) This policy does not apply to the Council's employees who are receiving car allowances.
- b) Failure to observe the rules contained herein and any additional instructions issued by Accounting Officer will render the offending employee liable to disciplinary action.
- c) The following rules must be observed:
 - i. The most economical vehicle suitable for the purpose must be used.
 - ii. The vehicle shall only be driven by an appropriately licensed and duly authorised employee on official duty.
 - iii. The driver must be licensed in terms of the National Road Traffic Act for the particular class of vehicle under his/her control.
 - iv. Only in the areas within the KSD Region can the immediate family of the bereaved employee be fetched to attend a memorial service.
 - v. No person shall move, drive or operate any municipal vehicle unless he/she is fully authorised to do so. The unauthorised use of a vehicle will render the person

concerned liable for prosecution in a court of law, over and above any internal disciplinary action.

- vi. Passengers, inclusive of municipal staff, are not permitted to ride on or inside any municipal vehicle except for the execution of municipal duties.
- vii. The driver shall not deviate any vehicle from the shortest route to the destination to serve the private interest of the driver or his/her passengers, or in connection with the conveyance, loading or unloading of private property or goods.
- viii. The driver shall not utilize any municipal vehicle for private purposes.

11. ESTABLISHMENT AND MANAGEMENT OF THE VEHICLE REGISTER

- a) The CFO or his/her delegate will establish and maintain the vehicle register containing key financial data on each vehicle that satisfies the criterion for recognition.
- b) Fleet management controller are responsible for establishing and maintaining any additional register or database required demonstrating their physical management of their vehicles.
- c) Each controller is responsible to ensure that sufficient control exists to substantiate the value, location and condition of all vehicles in their registers.
- d) Contents of the Fleet Management Register
- e) The details included in the fleet management register will include:
 - i. Bar Code of the vehicle
 - ii. Vehicle registration number
 - iii. Unit Number
 - iv. Vehicle description
 - v. VIN/CHASSIS Number
 - vi. Engine Number
 - vii. Date of acquisition
 - viii. Cost or Value
 - ix. Useful Life

12. INTERNAL CONTROL OVER FLEET MANAGEMENT REGISTERS

- a) Control around their fleet management registers should be sufficient to provide an accurate, reliable and up to date account of vehicles under their control to the standards specified by The Chief Financial Officer and required by the legislation.
- b) These controls will include physical management and recording of all expenditure incurred including petrol slips, transfers and disposal of their assigned assets as well as regular stock-takes and system audits to confirm the adequacy of their controls

13. PHYSICAL RECEIPTING AND MANAGEMENT

13.1. Responsibilities Fleet Controller

- a) The controller must ensure that the purchase of vehicles complies with all municipal policies and procedures
- b) Must ensure that all vehicles are duly processed and identified before it is received into their fleet section.
- c) Must ensure that all vehicle records are maintained.
- d) A file shall be opened for repairs. Maintenance and any other work done to each vehicle should be kept in the respective services file.
- e) The vehicle service files shall be monitored on a regular basis to ensure that all repairs and services are relevant, authorised and valid.
- f) The respective fleet controller shall ensure that licensing is done timeously
- g) The controller must ensure that vehicles, plant and equipment is appropriately utilised for the purpose that the municipality acquired those assets for.

13.2. Receipt of vehicle, plant and equipment

- a) The receipting of vehicles, plant and equipment shall be managed by Fleet Controller
- b) The process of receipting by the Controller will include:
 - i. Review of the authority to purchase including compliance with all procurement policies and budgetary limits.
 - ii. Review of all details required recording the vehicle in the fleet management register.

13.3. The date of acquisition

- a) The date of acquisition of fleet is deemed to be the time when legal title and control passes to the municipality
- b) This may vary for different categories of the fleet but will usually be the point of time when Management authorises payments for those assets.

14. PROCEDURE FOR REPAIRING OF FLEET

- a) The fleet controller shall, under his/her signature request repairs to the vehicle on the prescribed job card.
- b) The job card will be delivered to the office of Service provider (appointed fleet management service provider)
- c) The Service Provider shall determine the nature and cost of repairs, and in the event that the Municipal Workshops are unable to effect the repairs, obtain quotations from accredited dealer of vehicle brand to effect repairs.
- d) The Safety shall upon receiving the cost estimate, submit the same to fleet Management for approval. In urgent instances Service Provider must proceed with repairs and report *ex post facto*.

- e) The job card shall be completed in detail and an electronic record shall be kept of all repairs effected to all municipal vehicles.
- f) The policy on replacement of tyres shall be as follows:
 - i. The user Department shall under his signature request replacement.
 - ii. The fleet controller shall obtain 3 quotations for the specific size of tyres.
 - iii. All identification numbers of the tyres so provided shall be availed to fleet controller who shall keep electronic records of the information.
 - iv. The fleet controller shall not use one supplier on more than two consecutive occasions unless the price difference on items purchased is more than R100-00 per tyre if only one tyre is purchased or more than R50-00 if two or more tyres are purchased.
 - v. Controller shall also endeavour to use different service providers for spares and repairs of vehicles, but will consider quality of spares and service determining the specific services supplier.
- g) In the event of major repairs, Fleet is authorised to use one service provider to ensure that the warranty on the repairs by service provider is not compromised.

15. PROCEDURE FOR ISSUANCE OF FUEL AND OIL

a) In an effort to prevent the misuse of fuel and oil the following policy shall prevail:

- i. No fuel and oil shall be issued without an authorised and signed requisition.
- ii. No fuel and oil shall be distributed in any container other than fuel tank or engine, as the case may be, of a vehicle.
- iii. Should it be a requirement for fuel to be dispensed to any other container, the requisition shall state accordingly, clearly indicating the quantity of fuel required.
- iv. Separate requisitions shall be required for 2 and 3 above. Fuel shall not be dispensed for a vehicle and in a container on the same requisition.
- v. Oil shall only be dispensed directly into a vehicle and again should oil be required in sealed cans, 3 and 4 shall apply.
- vi. No fuel shall be dispensed if the mileage of the vehicle is not recorded.
- vii. The kilometre reading shall be entered on the requisition depicting the registration number of the vehicle.
- viii. Fuel shall not be dispensed if the odometer and the mileage on the requisition differ for more than 10km.
- ix. The quantity of fuel and oil delivered to the vehicle shall be entered by the driver and verified by the fuel attendant.
- x. At close of day, all requisitions, whether dispensed in house or by outside service providers, shall be delivered to the Stores Controller.
- xi. The Fleet Controller shall ensure that proper electronic records are kept of all fuel dispensed to all vehicles.
- xii. A comparative report as to quantify fuel dispensed and mileage shall be provided to each manager and abnormal usage shall be reported to the management.

16. CONTROL MEASURES: MUNICIPAL FUEL BOWSER

- a) That as a control measure, the departmental official authorising the re-fuelling should ensure that an odometer reading is entered on the requisition and that the fuel attendant allow a difference of not more than 10 kilometres to make provision for the discrepancy between the venue of signing and the venue of filling.
- b) That HOD's ensure that the odometer of the vehicles under their control are in a working condition as inoperative odometer make it impossible to exercise control over fuel consumption.

17. FILLING OF MUNICIPAL VEHICLE WITH FUEL:

a) Procedure for Weekends and Public Holidays

- i. Officials who use vehicles over weekends or during public holidays must fill their vehicles on Fridays or in the case of a public holiday on the day before the start of such a holiday.
- ii. Refuelling at municipal bowers during weekends/ on public holidays will be allowed on authorisation by the respective Head or his/her delegate only - such authorisation to be given personally by the Fleet to petrol attendants.

18. AUTHORISED SIGNATURE FOR THE ISSUE OF FUEL FOR MUNICIPAL VEHICLES

- a) The Head of Department will authorise Section Heads and certain foremen to sign the fuel requisition prior to the driver/s filling their vehicles as per **Annexure "A"**.
- b) The driver of the vehicle and fuel attendant must also sign the fuel requisition.

19. MISUSE OF OFFICIAL VEHICLE

- a) All officials requiring a vehicle must have a signed trip authority from their HOD before the vehicle can be allocated.
- b) The trip authority must be authorized by an official at a managerial level or above and must be in the direct management line to the person travelling.
- c) In circumstances where this is not possible, alternate signatories must be sought within the Municipality.
- d) If the vehicle is moved in an emergency trip authority must be obtained immediately after the event or within 24 hours of the movement.
- e) This process is only to be used in a case of extreme emergency and the manager must be satisfied that the journey was necessary.
- f) Employees who are not on standby must not take vehicles home overnight and/or on weekends.
- g) Disciplinary action must be taken against those who violate this policy.

- h) Continued late return of vehicles without the valid reasons or motivation must be refused vehicle allocation in future or face disciplinary action.
- i) All vehicles must be parked at official locations as indicated by the Fleet Control Officer who must allocate approved parking places for all vehicles.
- j) Parking place should be lockable or with a 24hr security available.
- k) Permission must be given for a vehicle to be parked home overnight of an official if the following conditions are met:-
 - i. The location has been reviewed by the Fleet Control Officer and considered adequate e.g. Garage or Lockable Gates.
 - ii. The official will be leaving early in the morning or return late at night.
 - iii. The official is on call and there is no means by which he/she can be transported in the event of a call out.
 - iv. A signed authority form to park a vehicle at home must be issued.
 - v. However those on call, blanket permission can be issued for a specific time period.
 - vi. The permission is subject to review and must be withdrawn at any time.
 - vii. Whilst a vehicle is parked at home, it must not be used for private purposes.
 - viii. If an emergency arises, that is work related and it becomes necessary to use the vehicle, a signed trip authority must be obtained within 24hr of the journey.
 - ix. Private use of the vehicle whilst parked at home must lead to the withdrawal of the privilege and disciplinary action must be taken against the employee in breach.
- l) Official vehicles are provided strictly for official purposes and are not to be used for private or other purpose.
- m)
- n) Practices such as using official vehicles for unauthorised trips between home and work, making social calls taking families for outings, making detours for private purposes, etc. will not be tolerated.
- o) Under no circumstances may an official use a municipal vehicle for private purposes.
- p) No private persons or goods shall be transported in municipal vehicles.
- q) The picking up of casual passengers (members of the public) is not allowed under any circumstances.
- r) The driver shall be held responsible and disciplinary action must be taken against them if found to be non-complying with the two clauses above.
- s) All officials requiring a vehicle must have a signed trip authority from their HOD before the

20. PERMISSION TO TAKE AN OFFICIAL VEHICLE HOME

- a) NO person may take any official vehicle home unless specific permission has been granted. The authority must clearly indicate the period over which the vehicle maybe taken home.
- b) It must be noted that permission to take an official vehicle home will NOT be granted unless the applicant certifies that the vehicle will be secured overnight in a lockable garage.

- c) That emergency staff must, when on standby only, use official transport within KSD region, subject thereto that the employee should at no stage be more than 20km from the residence normally occupied by him and his family, subject further to the following conditions:
 - i. The employee shall under no circumstances allow non-officials access into the vehicle for any purpose what so-ever.
 - ii. Such use of municipal transport is only authorized if the driver intends reacting to a call out immediately.
 - iii. The written authorization of the Head of the Department must be obtained prior to the use of such vehicle.
- d) That in the light of special circumstances, officials working overtime or shifts be allowed to, work with municipality transport, drop / pick up their children from school or such purpose, subject thereto that:
 - i. He /she indemnifies Council against any claims should an accident occur.
 - ii. The time taken to drop / pick up the child not be seen as overtime / normal time, unless the official be assigned to duty in the area.
- e) Municipal or hired vehicles may only be used in the execution and in the scope of the job description of any such user and only for Council business.
- f) Prior approval must be obtained from the Head of Department for municipal or hired vehicles to travel outside the boundaries of KSD.
- g) No employee must drive any municipal or hired vehicle without the correct drivers licence for the specific vehicle.
- h) All Heads of Departments must ensure that:
 - i) Daily log and inspection sheets of vehicles and equipment be completed.
 - ii) No fuel or oil must be issued without the correct procedures being followed, i.e. requisition correctly filled out and signed denoting the odometer reading at the time of filling.

21. GENERAL:

- a) Staff on standby must ensure that the municipal vehicle used for standby purposes is parked inside their premises.
- b) All traffic regulations must be adhered to.
- c) If any breakdown service is needed for municipal vehicles, Fleet must be contacted to arrange for such service.

22. ACCIDENTS

- a) All remedial and corrective actions will be subjected to and governed by the KSD Municipality's disciplinary procedures.
- b) In the event of negligent driving, the driver must be held responsible for the damages incurred.
- c) The KSD employee/driver shall sign an acknowledgement of debt in which the time frame for the repayments shall be captured.

- d) In the event where the driver is involved in an accident, the following shall be followed:-
 - i. In the event where a municipal vehicle is involved in an accident, the Fleet Controller must be informed.
 - ii. Under no circumstances shall liability be admitted or unguided statements be made to any person or payment offered or made to a third party.
 - iii. Any accident in which an official vehicle is involved **MUST** be reported to the nearest Police Station within 24 hours of the accident and a case number must be allocated.
 - iv. An accident report form must be completed within 24 hours of the accident, unless the driver is not in a position to do so due to injuries sustained.
 - v. In such case a statement by the relevant Supervisor must be submitted to the Fleet Division within 24 hours of the accident.
 - vi. Where a driver has been found to have been negligent, then he/she must be held responsible for the 100% excess payment.

23. ACCOUNTING FOR FLEET

23.1. Recognition of fleet

- a) An item of fleet will be recognised as an asset when:
- b) It is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,
 - i. The cost of the asset to the municipality can be measured reliably.
 - ii. The municipality has gained control over the asset.
 - iii. The costs is above the recognition threshold, and
 - iv. The asset is expected to be used during more than one financial year.
- c) Council must be acquired or disposed in line with the Council's Asset Management and Supply Chain Management Policies.
- d) All Fleet must be fitted with a tracking device.

23.2. Recognition threshold

- a) To ensure efficiency in the administration of this policy, the recognition of fleet as an asset will be limited to items costing R10 000 or more.

23.3. Carrying amount on Fleet

- a) Subsequent to initial recognition as fleet, an item of fleet should be carried at its cost less any accumulated depreciation, subject to the requirement to write an asset down to its recoverable amount or any subsequent revaluation.

23.4. Initial determination of useful life

- a) Assets and Stores Manager must determine the useful life of a particular item or class of fleet through the development of a Strategic fleet Management Plan that forecasts the expected useful life of that fleet.

- b) This should be developed as part of the Pre-Acquisition Planning that would consider the following factors:
 - i. The operational, maintenance, renewal and disposal program that will optimise the expected long term costs of owning that asset
 - ii. Economic obsolescent because it no longer meets the municipalities' needs
 - iii. Technological obsolescent
 - iv. Social obsolescent due to changing demographics and
 - v. Legal obsolescent due to statutory constraints
 - vi. Spares purchased specifically for a particular asset, or class of assets, and which would become redundant if that asset or class was retired or use of that asset or class was discontinued, must be considered to form part of the historical cost of that asset or class. The depreciable amount of such spares must be allocated over useful life of the asset or class.

23.5. Review of useful life

- a) The useful life of an item of fleet should be reviewed regularly and if expectations are significantly different from previous estimate, the depreciation charge for the current and future periods should be adjusted.

23.6. Review of depreciation method

- a) The depreciation method applied to fleet should be reviewed regularly, and if there has been a significant change in the expected pattern of economic benefits or potential services delivery from those assets, the method should be changed to reflect the changed pattern.
- b) When such a change in depreciation method is necessary the change should be accounted for as a change in accordance to the estimate and the depreciation charge for the current future periods should be adjusted.

23.7. Subsequent expenditure on fleet.

- a) Subsequent expenditure relating to an item of fleet that has already been recognised should be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing fleet, will flow to the municipality
- b) Before allowing the capitalization of subsequent expenditure, the Financial Officer must be satisfied that this expenditure significantly;
 - i. Increases the life of that asset beyond that stated in the asset register, or
 - ii. Increase the quality of service of that asset beyond the existing level of service, or
 - iii. Increase the quality of service that asset can provide, or
 - iv. Reduce the future assessed costs of maintaining that fleet.
- c) Expenditure that is proposed to be capitalized must also conform to recognition criteria for non-current assets and should also be appropriately included in the approved capital budget.

24. HIRED VEHICLES

- a) In the case when no council fleet is not available, the head of Department must approve the hire of vehicle and confirm funding. It shall be the responsibility of the Fleet Control Officer to hire such a vehicle without delay.
- b) The vehicle or Plant contemplated above, shall be subject to all conditions in this Fleet Management Policy and must therefore be treated as Council Fleet Asset.

25. VIOLATION & ENFORCEMENT OF FLEET MANAGEMENT POLICY

- a) Any violations on the policy must lead to a disciplinary action being instituted against an employee.
- b) An employee that is found guilty of violating this policy shall be suspended from using KSDM plant & fleet.
- c) MM, HOD KSD Community Safety officers & KSD Fleet Officers must be authorized to impound/confiscate vehicles without proper authorization.
- d) If the driver fails to provide the required documentation as proof of authorization to use the vehicle, then the vehicle shall be confiscated and impounded forthwith.
- e) Members of SAPS, municipal & provincial traffic officers and law enforcement officers of the council are hereby authorized to apprehend and charge the employee of the council who intervene the contents of this policy in cases where such contravention amounts to criminal offences and in particular to theft and fraud.

ANNEXURE 1- Accident Report

ANNEXURE 2 - Control Sheet

ANNEXURE 3 - Defect Form

ANNEXURE 4 - Fuel Requisition

ANNEXURE 5 - Fuel Voucher

ANNEXURE 6 - Inspection Form

ANNEXURE 7 - Oil Issuing

ANNEXURE 8 – Trip authorization

ANNEXURE 9 – Vehicle release register

ANNEXURE 10 – Wash form

This policy should be reviewed annually.

Authentication

Policy adopted by Council on the: _____ as per

Resolution Number: _____

Sign – Off

Municipal Manager